

**GOVERNMENT OF INDIA  
MINISTRY OF CHEMICALS & FERTILIZERS  
DEPARTMENT OF PHARMACEUTICALS**

LOK SABHA  
STARRED QUESTION NO. †\*33  
TO BE ANSWERED ON 4<sup>th</sup> February, 2020

**Pricing of Drugs**

**†\*33. SHRI KHAGEN MURMU:**

Will the Minister of **CHEMICALS AND FERTILIZERS** be pleased to state:

- (a) whether the National Pharmaceutical Pricing Authority has formulated or proposes to formulate any plan for reducing the prices of drugs thereby ensuring availability of medicines at affordable prices, especially for the poor people of the country;
- (b) if so, the time by which the said scheme is likely to be implemented and the extent to which people are likely to be benefited; and
- (c) if not, the reasons therefor?

**ANSWER**

**MINISTER IN THE MINISTRY OF CHEMICALS AND FERTILIZERS  
(SHRI D. V. SADANANDA GOWDA)**

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(a) to (c):     A statement is laid on the Table of the House.

**Statement referred to in reply to Lok Sabha Starred Question No. †\*33 for answer on 04/02/2020 regarding Pricing of Drugs.**

(a) to (c): The Pharmaceutical Policy announced by the Government from time to time envisages making available quality medicines at reasonable prices to the masses. National Pharmaceuticals Pricing Policy, 2012 (NPPP-2012) was notified with the objective to put in place a regulatory framework for pricing of drugs so as to ensure availability of required medicines – “essential medicines” at reasonable prices even while providing sufficient opportunity for innovation and competition to support the growth of pharma industry thereby meeting the goals of employment and shared economic well-being for all.

Pursuant to the announcement of National Pharmaceuticals Pricing Policy, 2012, Government notified Drugs (Prices Control) Order, 2013 (DPCO, 2013) on 15th May, 2013. All the medicines specified in the National List of Essential Medicines, 2011 (NLEM) were included in the First Schedule of DPCO, 2013 and brought under price control.

Under DPCO, 2013, prices of drugs are fixed on ‘Market based pricing’ methodology. ‘Market based pricing’ methodology has been adopted in accordance with the principles outlined in the NPPP, 2012.

NLEM 2015 contains 949 scheduled drug formulations spread across 31 therapeutic groups. National Pharmaceutical Pricing Authority (NPPA) has fixed the ceiling prices of 860 formulations under DPCO, 2013 as on 31<sup>st</sup> December, 2019. NPPA also capped the maximum retail price of 106 formulations (anti-diabetic and cardiovascular under para 19 of DPCO, 2013 in July, 2014.

The prices are notified through Gazette Notifications which are also uploaded on NPPA’s website at [www.nppaindia.nic.in](http://www.nppaindia.nic.in). The ceiling prices become operative and legally enforceable from the date on which the price is notified in the Gazette.

**Statement showing range of reduction in ceiling price of scheduled formulation with respect to the highest price on the basis of data furnished by pharmatrac / pharmaceutical companies.**

% reduction with respect to Maximum Price	No. of formulations
0<= 5%*	236
5<=10%	138
10<=15%	98
15<=20%	100
20<=25%	92
25<=30%	65
30<=35%	46
35<=40%	26
Above 40%	59
<b>Total formulations in NLEM 2015</b>	<b>860</b>

NPPA vide order SO 1041(E) dated 27th February, 2019 put a cap on Trade Margin of 42 select non-scheduled anti-cancer medicines under ‘Trade Margin Rationalisation (TMR)’ Approach. By this approach the MRP of 526 brands of these medicines were reduced by upto 90% resulting in approx annual savings of around Rs. 984 crore to the patients.

The regulation of prices of medicines under DPCO, 2013 by NPPA has resulted in net savings of approximately Rs. 12447 crore to the consumers.